



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Recommendation for the Western Area Power Administration Loveland Area Projects and Colorado River Storage Project to Pursue Final Negotiations Regarding Membership in a Regional Transmission Organization

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice.

SUMMARY: Western Area Power Administration (WAPA), a power marketing administration (PMA) of the Department of Energy (DOE), is publishing this recommendation for the Loveland Area Projects (LAP) and the Colorado River Storage Project (CRSP) to pursue final negotiations regarding membership in the Southwest Power Pool (SPP), a Regional Transmission Organization (RTO). WAPA is seeking public comment from its customers, Native American Tribes, stakeholders, and the public on the substance of WAPA's recommendation to pursue final negotiations regarding LAP and CRSP membership in SPP.

DATES: To ensure consideration, all comments should be received by WAPA by e-mail or at the address below on or before 4 p.m. MST [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. WAPA will present a detailed explanation of the recommendation for LAP and listen to customers' and other interested parties' comments at a forum in Loveland, Colorado. WAPA also will present a detailed explanation of the recommendation for CRSP and listen to customers' and other interested parties' comments at forums held in locations throughout the CRSP marketing area. The specific times and locations of these forums are posted on the Web sites identified in the **SUPPLEMENTARY**

INFORMATION section. Key information that formed the basis for this recommendation will

be presented at the forums and is posted at the Web sites listed in the **SUPPLEMENTARY INFORMATION** section. Any decision to pursue the recommendation will be informed by comments received.

ADDRESSES: Send written comments by e-mail to SPP-Comments@wapa.gov or by mail to Mr. Rodney G. Bailey, Power Marketing Advisor, Western Area Power Administration, 150 East Social Hall Avenue, Suite 300, Salt Lake City, UT 84111-1580. Written comments must be received by the deadline identified in the **DATES** section to be considered in WAPA's decision process and should include the following information:

1. Name and general description of the entity submitting the comment.
2. Name, mailing address, telephone number, and e-mail address of the entity's primary contact.
3. Identification of any specific recommendation the comment references.

FOR FURTHER INFORMATION CONTACT: Mr. Rodney Bailey, Power Marketing Advisor, Western Area Power Administration, 150 East Social Hall Avenue, Suite 300, Salt Lake City, UT 84111-1580, telephone (801) 524-4007.

SUPPLEMENTARY INFORMATION: In 2013, representatives for LAP and CRSP, along with eight other transmission owners, informally referred to as the Mountain West Transmission Group (Mountain West), began discussing combining their transmission systems under a single tariff to eliminate pancaked transmission rates and enable generation optimization across the footprint. After reaching conceptual agreement on the possibility of a joint tariff, the discussions focused on the Mountain West participants joining an RTO with a fully integrated energy and ancillary services market. With this perspective, the Mountain West participants, individually and collectively, completed transmission cost studies, adjusted production cost modeling, and performed various other analyses. The Mountain West participants sent a request for

information to SPP and three other RTOs. After having considered the responses to its request, in conjunction with each Mountain West participant's individual analyses and the collective Mountain West analyses, the Mountain West participants reached consensus to further investigate membership in SPP. After extensive discussions among the Mountain West participants, preliminary negotiations with SPP, and further analysis by WAPA subject matter experts, and pursuant to its authority under Section 1232(a)(1)(A) of the Energy Policy Act of 2005 (42 U.S.C. 16431), WAPA recommends pursuing final negotiations regarding LAP and CRSP membership in SPP. Any decision by WAPA to move forward in final negotiations with SPP will be consistent with CRSP and LAP statutory requirements and as outlined in the basis for the recommendation and explanatory material posted to WAPA's Rocky Mountain Region (RMR) and Colorado River Storage Project Management Center (CRSP MC) Web sites at <https://www.wapa.gov/regions/rm> and <https://www.wapa.gov/regions/crsp>, respectively. At the conclusion of those final negotiations, WAPA intends to provide notification of its decision for LAP and CRSP to either execute a membership agreement with SPP or terminate formal negotiations.

Therefore, WAPA is soliciting comments from its customers and other interested parties regarding this recommendation. If the membership negotiations are successful, then LAP and CRSP would sign an SPP membership agreement to become members of SPP and participate in the SPP Integrated Marketplace, the LAP and CRSP transmission systems would be placed under the SPP tariff, and the Western Area Colorado Missouri Balancing Authority responsibilities would transfer to SPP. Section 1232(b) of the Energy Policy Act of 2005 authorizes the appropriate Federal regulatory authority to enter into a contract, agreement, or other arrangement transferring control and use of all or part of the transmission system of a Federal utility to a

Transmission Organization. (42 U.S.C. 16431(b)). The Administrator of WAPA is designated as the appropriate Federal regulatory authority with respect to all or part of WAPA's transmission system in accordance with the Energy Policy Act of 2005.

Availability of Information

The basis for this recommendation and explanatory material to be presented at the forums are available for review and comment on the Web sites referenced in the SUPPLEMENTARY INFORMATION section. Comments received in response to this notice will be posted on the same Web sites after the close of the comment period.

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321-4347), Council on Environmental Quality Regulations (40 CFR parts 1500-1508), and DOE NEPA Regulations (10 CFR part 1021), WAPA is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements. Further environmental review actions will be posted to the RMR and CRSP MC Web sites referenced in the SUPPLEMENTARY INFORMATION section.

Dated: September 21, 2017.

Mark A. Gabriel,
Administrator.

[FR Doc. 2017-21938 Filed: 10/11/2017 8:45 am; Publication Date: 10/12/2017]